
INTEROFFICE MEMORANDUM

TO: BOARD OF SELECTMEN
FROM: MARTHA WHITE, TOWN ADMINISTRATOR
SUBJECT: FISCAL 2009 – PROPOSED BUDGET CUTS
DATE: 1/11/2008
CC: DEPARTMENT HEADS
FINANCE COMMITTEE

Attached is a spreadsheet summarizing the proposed budget cuts for the FY 2009 budget, as well as back up information from each of the affected departments. Needless to say, these were very difficult decisions. Virtually every budget cut will affect the level and quality of service we provide to the community and its residents. Note that some departments, notably DPW and Recreation and Parks, have been able to mitigate their budget cuts with proposed revenue increases.

I began this process with a few basic principles:

1. Some departments are quite small, having just a handful of personnel, and many of these perform state-mandated functions. Therefore opportunities for staff reductions were limited, but were still evaluated.
2. Some departments are already significantly challenged to meet the needs and demands placed upon them. I include in this category first and foremost the Community Development Department, in which no cuts have been proposed. Public Safety Departments have also been challenged to maintain level services given the community's growth. However, the overall extent of cuts necessary demanded some level of impact to these large departments in order to not completely devastate other services.

3. Generally, the affected departments (notably the libraries, DPW, Council on Aging/Human Services, Recreation and Parks and Public Health) were asked to absorb reductions of 10%. As noted earlier, DPW and Recreation and Parks, were able to mitigate their budget cuts with proposed revenue increases.

The total budgetary impact of this proposal is \$1,128,344 or approximately 40% of the projected budget shortfall. Note that the share of the shortfall to be borne by the General Government and by the School Department has not yet been determined. I have attached a worksheet that would suggest a 60% (school) / 40% (town) split but, again, I recognize that consensus has not been reached on this issue. I believe this is to be a topic of the Financial Planning Committee at their next meeting.

I will provide a complete presentation of these proposals at your meeting on Monday night and will have all affected Department Heads in attendance. I also will provide an update and outline of the overall financial situation, including a proposal for funding capital needs, in advance of the meeting.

SUMMARY OF PROPOSED BUDGET CUTS
GENERAL GOVERNMENT – FY 2009

Department	Budget Cuts	Additional Revenues	Total	Original FY 09 Budget Request	Cuts as % of Budget Request	Cuts + Revenue as % of Budget Request
Assessor's Office	\$15,000	\$0	\$15,000	\$440,843	3.40%	3.40%
Bacon Free Library	\$11,000	\$0	\$11,000	\$116,928	9.41%	9.41%
Morse Intitute Library	\$178,000	\$0	\$178,000	\$1,780,357	10.00%	10.00%
DPW	\$368,016	\$253,338	\$621,354	\$6,023,590	6.11%	10.32%
COA/Human Services	\$34,236	\$0	\$34,236	\$342,690	9.99%	9.99%
Police	\$50,000	\$0	\$50,000	\$5,391,303	0.93%	0.93%
Fire	\$90,000	\$0	\$90,000	\$6,430,440	1.40%	1.40%
Recreation and Parks	\$7,643	\$52,811	\$60,454	\$569,981	1.34%	10.61%
Public Health	\$55,800	\$0	\$55,800	\$428,007	13.04%	13.04%
Collector	\$8,000	\$0	\$8,000	\$319,863	2.50%	2.50%
Parking Enforcement	\$4,500	\$0	\$4,500	\$125,555	3.58%	3.58%
Total	\$822,195	\$306,149	\$1,128,344	\$21,969,557	5.61%	6.83%

CONCEPT OF PROPOSED “SPLIT”
BETWEEN GENERAL GOVERNMENT AND SCHOOL DEPARTMENT

	General Gov't	School	Totals
2008 Base Budget(1)	\$26,051,410	\$40,928,029	\$66,979,439
2007 All Insurance	\$4,135,334	\$8,154,927	\$12,290,261
2007 Retirement	<u>\$3,555,430</u>	<u>\$1,237,400</u>	<u>\$4,792,830</u>
Totals	\$33,742,174	\$50,320,356	\$84,062,530
Percentages	40%	60%	

(1) Includes Energy costs

Note that this calculation excludes numerous cost centers that are not readily attributable to either Town or School, such as snow and ice overrun costs, budgetary reserves, debt budget, and others.

SUMMARY OF DEPARTMENTAL NARRATIVES
REGARDING IMPACT OF PROPOSED BUDGET CUTS

January 14, 2008

Note that these proposed budget reductions have not been voted by the Board of Selectmen or the Finance Committee.

Assessors' Office

As the Assessors must meet Department of Revenue guidelines to be certified each tax year, and timely revaluations produce significant revenues, these critical functions cannot be jeopardized. No staff reductions are feasible.

Proposed reductions:

- Tax Mapping: from \$45,000 to \$35,000
- Revaluation: from \$80,000 to \$75,000

The Town of Natick has done an excellent job with respect to our development and maintenance of our tax mapping program in coordination with the DPW's Engineering Division's Geographic Information System mapping program and personnel. The Department of Revenue requires that the Town's assessing maps be kept current; a reduction in this line item cannot be sustained over time.

The reduction in the revaluation (consulting) line item may be sustainable. A substantial effort has been made over the past couple of years for on-site visits to ensure the most accurate real and personal property valuations; the appropriation of \$75,000 should be sufficient to maintain the valuations.

Bacon Free Library

The Bacon Free Library services the South Natick neighborhoods and the entire community on a shoestring budget. All staff at the library are part time. Budget reductions would result in a reduced number of the highly popular story hours and other programming. Sporadic reduction in library hours may be necessary due to reduced personnel schedules. The reduction in spending for books and periodicals is exacerbated by continuous cost increases in these items. The 10% reduction in this budget totals \$11,000.

Morse Institute Library

To meet the requested 10% budget reduction, the Library Director has proposed to close the library on Mondays and reduce the budget for purchasing new books. This proposal will be reviewed with the Board of Library Trustees at an upcoming meeting and may be modified based on their input. A budget reduction of this magnitude jeopardizes the certification that the library receives from the state; certification qualifies the library for state aid funds and grants, as well as access to the state-wide interlibrary loan program. We believe that a waiver from the state funding requirements can be obtained in the first year of budget cuts; if these cuts are sustained into future years our certification becomes less certain. The total reduction in this budget is \$178,000.

Department of Public Works

The 10% reduction in the DPW budget totals \$600,000. Throughout the department, 3.5 positions will be eliminated. In addition, the following divisional cutbacks are proposed.

Land, Facilities and Natural Resources

Contract mowing services would be eliminated, leaving all mowing operation to town crews. The contract mowing covers, on a weekly basis, 15 sites (approximately 45 acres); municipal personnel maintain another approximately 15 sites and 45 additional acres. All maintenance would fall to municipal personnel. Contract tree maintenance would also be eliminated. Both services would not be completed as timely as is possible under the current combination of contract and town personnel.

Highway/Sanitation

Curbside yard waste pickup would be eliminated, and a \$15 annual fee would be instituted for stickers to access the Town's compost area for disposal of these materials. Presently the yard waste pickup is done after normal business hours; the estimated savings for eliminating the overtime cost associated with this service is \$34,500. The hazardous waste budget would be reduced by half; this cut may be sustainable due to the highly successful paint swap program (less paint to be disposed). An increase in the cost of pay-as-you-throw bags is also proposed from \$1.00 to \$1.20 for the small bags and from \$1.75 to \$2.10 for the large bags.

Building Maintenance

The contractual cleaning contract would be reduced by \$58,147 resulting in less frequent cleaning operations in the municipal buildings.

Council on Aging/Human Services

The total reduction in these departments is \$34,000 which severely reduces the level of service that can be offered. Specifically, the number of programs that will be offered at the Senior Center will be reduced from 30 to approximately 15 and new programs are unlikely to be developed. These programs offer opportunities for education, information, recreation, exercise and socialization. The transportation program, which provides taxi vouchers and mileage reimbursement to volunteer drivers, would be reduced from \$19,456 to \$4,013. Within the Human Services budget, contracted mental health services would be reduced from \$9,850 to \$2,500. Nearly every other line item in these budgets, from postage to salaries to equipment maintenance, has been reduced to some extent. Cuts in these budgets are particularly worrisome due to the direct impact on the quality of life for those residents in need of these services.

Police Department

The Police Department has achieved a \$50,000 budget reduction through cuts in the overtime budget. Non-emergency responses may be delayed or handled over the telephone. Funding for certain community policing activities (installation of car seats, citizen police academy, auto etching and more) may be reprogrammed to regular patrol overtime resulting in elimination or reduction of these activities.

Fire Department

The Fire Department has achieved a \$90,000 budget reduction also through cuts in the overtime budget. Minimum manning would be reduced from 17 to probably 15 per shift for a total of approximately 2 months during the fiscal year. That is, if personnel are out sick or on vacation, and the number of personnel on a shift falls below 17, rather than call in additional personnel on overtime, they would be redeployed throughout three fire stations, with a fourth station closing. Station 1 (downtown) and Station 4 (West Natick) would not be closed during such events under any circumstances as these are the busiest locations. The station closings would be sporadic based on available manning.

Recreation and Parks Department

The Recreation and Parks Department has been able to largely mitigate their budget cuts with proposed revenue increases. Increases are proposed in the administrative fee for all programs (\$4/participant/program), the Dug Pond beach tag fee, the Sunshine program participant fee and the contribution from the Natick Community Organic Farm. Reductions are proposed in administrative costs.

Department of Public Health

A new Environmental Engineer/Inspector position was approved for this department in the FY 2008 budget. The department had difficulty filling the position in the beginning of the year and, as the extent of the anticipated budgetary challenges for FY 2009 became clearer, I advised the Health Director to not fill the position. The budget reduction proposed for the Health Department is to eliminate funding for this position. After a detailed review by the Finance Committee last year, the position was determined to be needed to keep pace with plan reviews and inspections associated with septic systems; residential sewage ejector pump systems; external grease traps; subdivision, building permit and site plan review and food establishment layout and construction.

Collector/Treasurer

The overtime budget in the Tax Collector office would be reduced from \$7,500 to \$5,000 which could impact service levels in this department during peak collection periods. Postage would be decreased by \$5,500 (from \$48,300 to \$42,800) which could impact the frequency of collection notices being mailed. As is the case with most other budget reductions, these cuts cannot be sustained over time without noticeably jeopardizing service levels and potentially revenue generation.

Parking Enforcement

The funding for replacement equipment would be reduced by \$2,000 (from \$13,000 to \$11,000). A reduction in funding for parking collection is also proposed from \$17,500 to \$15,000. Efficiencies instituted in the mid-late 1990s saved about \$30,000 in the costs associated with this operation. However, further sustained reductions in these areas are likely to impact revenue generation.